

Exhibit 300 (BY2008)

PART ONE	
OVERVIEW	
1. Date of Submission:	2006-11-07
2. Agency:	015
3. Bureau:	45
4. Investment Name:	Integrated Collection System (ICS)
5. UPI:	015-45-01-12-01-2219-00
6. What kind of investment will this be in FY2008?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2001 or earlier	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The purpose of this Exhibit 300 is to request ICS funding for FY 2008 and to reflect the project's progress and performance. ICS is a major information management system within the IRS designed to improve revenue collections by providing electronic case processing to SB/SE revenue officers (ROs) and their managers. ICS enables field ROs access to the most current taxpayer information using laptop computers for quicker case resolution and improved customer service. Compliance cases and supporting information that had been issued via paper were issued electronically. The ICS was successfully deployed nationwide to 11,000 SB/SE customers between 1995 and 2000 as a three-tier (mainframe/fileserver/desktop-laptop) system. ICS did not meet the Commissioner's plan for a Service-wide computing standard. Users did not have access to the latest Windows Office Suite, IRS wide Secure Email, Internet access, laptop data encryption, or Secure Dial In access to facilitate flexiplace. In early 2000 the ICS Project began conversion of ICS OpSys to permit ICS to run under Windows NT. The benefits of this conversion were to: 1) Provide ICS users with the benefits of the COE, such as MS Office Suite 2000 and security features, multiple open screens for improved access to Lexis/Nexis for research, IRM online, and external systems such as TRAS, IDRS, Entity, and the Internet and IRS Intranet. 2) Improve communications to support the new BOD through secure Outlook email. 3) Provide SDI modems for ICS access away from the office and 4) Provide data encryption on laptops for added security. We successfully deployed Windows NT/SDI to 4000 users in 7 SB/SE Area Offices by October 2002. In May 2002, Windows XP was named the standard operating system for IRS applications. Subsequently W& I Field Assistance started using ICS. The major ICS initiative for September 2005 was the elimination of 750 ICS file servers which reduced maintenance costs significantly. All ICS file servers were eliminated by September 30, 2005.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2006-08-09	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Liou, Mimi	
Project Manager Phone:	
202-283-3181	
Project Manager Email:	
Mimi.Liou@irs.gov	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
yes	
12.a. Will this investment include electronic assets (including computers)?	
no	
12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	

no	
13. Does this investment support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Budget Performance Integration	
13.a. Briefly describe how this asset directly supports the identified initiative(s)?	
The ICS file server elimination decreased maintenance costs significantly.	
14. Does this investment support a program assessed using OMB's Program Assessment Rating Tool (PART)?	
no	
15. Is this investment for information technology (See section 53 for definition)?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2006 agency high risk report (per OMB's high risk memo)?	
yes	
19. Is this a financial management system?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	0
Software	0
Services	40
Other	60
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
n/a	
22. Contact information of individual responsible for privacy related questions.	
Name	
Barbra Symonds	
Phone Number	
202-927-5170	
Title	
Director, Office of Privacy	
Email	
Barbra.Symonds@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	
yes	
SUMMARY OF SPEND	
1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.	
All amounts represent Budget Authority	

(Estimates for BY+1 and beyond are for planning purposes only and do not represent budget decisions)

	PY-1 & Earlier	PY	CY
	-2005	2006	2007
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000
Maintenance Budgetary Resources	197.640	3.735	3.005
Government FTE Cost	130.400	5.166	5.867
# of FTEs	53	53	53

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative or qualitative measure.

Agencies must use Table 1 below for reporting performance goals and measures for all non-IT investments and for existing IT investments that were initiated prior to FY 2005. The table can be extended to include measures for years beyond FY 2006.

Table 1

	Fiscal Year	Strategic Goal(s) Supported	Performance Measure	Actual/baseline (from Previous Year)	Planned Performance Metric (Target)	Performance Results (Actual)
1	2004	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Customer Service.	Improve management of the FTD Alert program by providing information reports. The IRS will reduce unnecessary burdens on taxpayers and focus business resources to prevent delinquencies resulting in more timely payment of the taxes with a reduction in costs to the Government. IRS resources will be redirected to more productive activities.	No Management Information system available to evaluate effectiveness of the FTD Alert program	Refocus of the FTD Alert program reduces burden on taxpayers by eliminating unnecessary contacts from the IRS.	Application portion completed and deployed March 2004. Management Information System in final planning stages.
2	2004	Treasury Strategic Goal: Manage the U.S.	Improve management of the summons program. The IRS will	No management information system available to	Refocus of the summons program reduces burden on	Requirements gathered. Final design drafted.

		Governments Finances Effectively. IRS Strategic Goal: Customer Service.	reduce unnecessary burdens on the taxpayers and improve the use of the summons program in resolving delinquencies.	evaluate effectiveness of the Summons program.	taxpayers by eliminating unnecessary contacts from the IRS.	
3	2005	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Infrastructure and Modernization.	Eliminate costs associated with the maintenance and replacement of 800 fileservers.	Existing 750 Tier II fileservers are old and have reached their systems life.	Eliminated fileservers save \$250,000 in annual maintenance costs. Fileserver replacement schedule and costs will be measured quarterly by project office.	All ICS file servers were eliminated by September 30, 2005 on schedule and within budget.
4	2005	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Improve Taxpayer Service.	Improve responsiveness to taxpayers and reduce the burden on them by on- time delivery of Request for Information Services (RIS) application program changes.	Currently meeting the requested implementation date on 75 percent of Request for Information Services (RIS) requested by business unit.	The measure will be the percentage of RIS's delivered during the fiscal year compared to the number scheduled to be delivered per the original RIS responses.	ICS delivered 80 percent of Request for Information Services (RIS) by requested date of implementation based on RIS tracking report.
5	2006	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Improve Taxpayer Service.	Increase system availability 11 hours per day from 5:00 AM to 9:00 PM Eastern Time to 94 percent of the time to improve management of resources and reduce burden on taxpayers.	Currently, system is available to customers 11 hours per day from 5:00 AM to 9:00 PM 92 percent of time.	System availability will be measured by percentage of time the ICS mainframe is available from 5:00am Eastern to 9:00pm Eastern. The percentage will be calculated quarterly by the Project Office. Each quarterly result will meet or exceed the goal.	As of September 30, 2006, the system is available to customers from 5:00 AM to 9:00 PM Eastern Time 11 hours per day 94 percent of the time.
6	2006	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Improve Taxpayer Service.	Improve responsiveness to taxpayers and reduce the burden on them by delivering 84 percent of Request for Information Services (RIS) by requested date of implementation.	Currently meeting the requested implementation date on 80 percent of Request for Information Services (RIS) requested by business unit.	The measure will be the percentage of RIS's delivered during the fiscal year compared to the number scheduled to be delivered per the original RIS responses.	As of September 30, 2006, ICS is delivering 84 percent of Request for Information Services (RIS) by requested date of implementation.
7	2007	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Improve Taxpayer Service.	Increase system availability from 5:00 AM to 9:00 PM Eastern Time 14 hours per day 95 percent of the time to improve management of resources and reduce burden on taxpayers.	Currently, system is available to customers from 5:00 AM to 9:00 PM Eastern Time 14 hours per day 94 percent of the time.	System availability will be measured by percentage of time the ICS mainframe is available from 5:00am Eastern to 9:00pm Eastern. The percentage will be calculated	

					quarterly by the Project Office. Each quarterly result will meet or exceed the goal.	
8	2007	Treasury Strategic Goal: Manage the U.S. Governments Finances Effectively. IRS Strategic Goal: Improve Taxpayer Service.	Improve responsiveness to taxpayers and reduce the burden on them by delivering 88 percent of Request for Information Services (RIS) by requested date of implementation.	Currently meeting the requested implementation date on 84 percent of Request for Services (RIS) requested by business unit.	The measure will be the percentage of RIS's delivered during the fiscal year compared to the number scheduled to be delivered per the original RIS responses.	

All new IT investments initiated for FY 2005 and beyond must use Table 2 and are required to use the FEA Performance Reference Model (PRM). Please use Table 2 and the PRM to identify the performance information pertaining to this major IT investment. Map all Measurement Indicators to the corresponding "Measurement Area" and "Measurement Grouping" identified in the PRM. There should be at least one Measurement Indicator for at least four different Measurement Areas (for each fiscal year). The PRM is available at www.egov.gov.

Table 2

Fiscal Year	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
-------------	------------------	----------------------	-----------------------	----------	-------------------------------------	----------------

EA

In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.

1. Is this investment included in your agency's target enterprise architecture?

yes

1.a. If no, please explain why?

-

2. Is this investment included in the agency's EA Transition Strategy?

yes

2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.

This investment is aligned to the Taxation Management LoB that is scheduled to begin the Segment Architecture Blueprinting Process in FY2007.

3. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <http://www.whitehouse.gov/omb/egov/>.

Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.

Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.

Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.

Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
-----------------------	------------------------------	--------------	-----------	-----------------------	------------	-----------------------------	-----------

1	Information Retrieval	Case Management: Provides IRS revenue officers the ability to work and update taxpayer case issues.	Knowledge Management	Information Retrieval			No Reuse	10
2	Tax Account Management Business Logic	Manages the lifecycle of cases/issues or data for Taxpayer examinations/collections/appeals/litigation/criminal investigations.	Tracking and Workflow	Process Tracking			No Reuse	75

4. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	Information Retrieval	Service Access and Delivery	Service Requirements	Legislative / Compliance	IRS written code
2	Process Tracking	Component Framework	Data Management	Reporting and Analysis	IRS written code

5. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

5.a. If yes, please describe.

No, the application does not leverage existing components and/or applications across the government. The Integrated Collection System manages an inventory of taxpayer account that maybe subject to collection action. Input from the taxpayer, i.e., payments or returns, are received into IRS through other IT initiatives.

6. Does this investment provide the public with access to a government automated information system?

no

PART TWO

RISK

You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.

Answer the following questions to describe how you are managing investment risks.

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2006-10-26

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

COST & SCHEDULE

Does the earned value management system meet the criteria in ANSI/EIA Standard 748?

no

What costs are included in the reported Cost/Schedule Performance information?

Contractor and Government

2.e. As of date:

2006-12-31
<i>7.c. If yes, what corrective actions are being taken?</i>
The approved OMB ICS E-300 included plans for the transition of ICS labor and contractors to support F&PC Release 3 (ICS Replacement). Due to legislation, funding and other external factors, the development and implementation of Release 1 was delayed and as a result, Release 2 & 3 were also delayed. However, some functionality previously planned for delivery thru F&PC Release 3 is being developed by ICS. This included 13 FTEs and 7 contractors. As a result a BCR will be submitted to reflect change in ICS scope/F&PC delays.
<i>8. Have any significant changes been made to the baseline during the past fiscal year?</i>
yes